



Opening Statement of Carolyn Bartholomew, Vice Chairman

U.S.-China Economic and Security Review Commission

Hearing on "China's Activities in Southeast Asia and the Implications for U.S. Interests"

Thursday, February 4, 2010

Thank you Chairman Slane. Good morning, everyone, I'd like to echo the Chairman's statement and welcome you all to our first hearing of the year. I'd also like to invite you to visit our website, uscc.gov, where you will find information on our past hearings, commissioned research, and our 2009 annual report to Congress, which was published last November, and was adopted unanimously by the twelve Commissioners.

In December, the Commission traveled to Taiwan and to Vietnam for meetings to discuss China's growing presence in the region. I would like to thank the governments of Taiwan and Vietnam for their hospitality and assistance in ensuring that our visit was productive and useful. For some of us, it was our first visit to Vietnam and we learned an enormous amount.

The purpose of this hearing is to continue gathering information about China's interests and activities in Southeast Asia, and how these activities may impact U.S. regional economic and security interests. As Chairman Slane mentioned, since coming to office last year the Obama Administration has repeatedly indicated to Southeast Asia that it would like to reinvigorate U.S.-Southeast Asian relations. During President Obama's November trip to Singapore, the President stated that "the United States is a Pacific nation, and we enjoy deep historical ties to Southeast Asia." And just three days ago the White House announced that the President will be traveling to Indonesia and Australia in March. Trade between the United States and the ten nations which make up the Association of Southeast Asian Nations reached \$181 billion in 2008. The United States also has security interests in the region, to include assisting regional states to combat terrorism and maintain the freedom of navigation in maritime Southeast Asia—both of which are extremely important given that much of the world's seaborne trade traverses this region. Finally, the United States has an interest in promoting and strengthening democracy in the region.

The United States, however, is not interacting with Southeast Asia in a vacuum. Since the late 1990s, China has steadily increased its presence in the region. China is currently Southeast Asia's third largest trading partner, with total trade reaching \$192 billion in 2008, up from \$45.5 billion in 2001. In addition, in 2008, China ranked fourth in foreign direct investment into the region. China also interacts with the region in numerous multinational forums, some of which the United States is not a member. The Chinese military and some Southeast Asian militaries have also participated in bilateral confidence building measures in recent years, primarily on issues such as

counterterrorism or maritime search and rescue. In addition, as we discussed in our 2009 Annual Report, China's rapid naval modernization allows Beijing to project power into the region—a major concern to Southeast Asian nations that have maritime territorial disputes with China. Finally, in certain parts of Southeast Asia China's soft power is growing. While it is important to point out that there is nothing inherently wrong with China's growing stature in this region, it is crucial to understand how this may affect U.S. policies and interests in Southeast Asia.

To help us understand these issues, we will be joined today by a number of expert witnesses from the Government, academia, and nongovernmental organizations. In particular, we are pleased to welcome several Members of Congress who have taken time out of their busy schedule to join us. This morning Congresswoman Bordallo from Guam, Congressman Faleomavaega from Samoa, Congressman Forbes from Virginia, and Congressman Rohrabacher from California will present their views on Chinese activities in the region and the implications for U.S. interests. Due to their busy schedules, the Members of Congress will be arriving at different times today, and we may have to interrupt a panel in order to accommodate them. After they are finished, we will continue on with the panel where we have left off.

We are also delighted to have Mr. David B. Shear, Deputy Assistant Secretary of State for East Asian and Pacific Affairs, and Mr. Robert Scher, Deputy Assistant Secretary of Defense for South and Southeast Asia, join us today to present the administration's perspective.

Once again, welcome to our first hearing of the year, and I now turn to my fellow co-chair for this hearing, Commissioner Wortzel, for his opening statement.